

# California HealthCare Foundation (CHCF) Payer-Provider Partnerships to Expand Community-Based Palliative Care.

*California HealthCare Foundation is funding pairs of payers and providers to develop novel plans for how to deliver and reimburse high-quality, community-based palliative care to patients with serious illness.*

Multiple studies show that patients who receive palliative care experience better quality of life and live longer with fewer symptoms of illness. Payers and providers are recognizing this value and collaborating on new ways to deliver and pay for community-based palliative care.

To promote and support these collaborations, CHCF is providing planning grants to pairs of payers and providers engaged in developing operational and financial plans for delivering palliative care services in the community setting. These grants will result in service proposals, including details of eligibility criteria, reimbursement and delivery mechanisms, and other considerations.

The selected partnerships, awarded through an RFP process, are each listed by the lead agency with partner(s) and regional focus area:

- **CareCHOICES Hospice & Palliative Services with HealthNet of California (Orange County, Long Beach, and South Los Angeles)**
  - California Pacific Medical Center with Sutter and Brown & Toland (San Francisco)
  - Community Regional Medical Center with Humana (Fresno)
  - LightBridge Hospice & Palliative Care with HealthNet (San Diego)
  - Optum Palliative & Hospice Care with UnitedHealth (Orange County)
  - Partnership Health Plan with various palliative care providers (Northern California)
  - Rady Children's Hospital with HealthNet (San Diego)
  - SCAN Health Plan with MemorialCare Medical Group and Monarch (Orange County)
  - UCLA with Wellpoint (Los Angeles)
  - UCSF with Hospice by the Bay and Blue Shield (San Francisco)

In 2015 CHCF will consider making implementation grants based on the results of the planning grants.



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# Partnering for Palliative Care in California

by Kate O'Malley, of California HealthCare Foundation (CHCF)

Health care provider organizations, payers, and the health policy community increasingly recognize the deficiencies in care for people with serious illness and for those approaching the end of life. While medical advances have provided great benefit to some, many people with serious illness still often experience physical and emotional distress, as well as lack of alignment between their personal values and goals and the medical care they receive.

Multiple studies have shown that specialized palliative care services address these needs in a way that usual care does not. With a focus on defining and adhering to patients' goals of care, managing pain and symptoms, addressing psychosocial and spiritual issues, and coordinating care among multiple providers and settings, palliative care improves the quality of life and experience of care for people with advanced illness, while also lowering costs by helping patients stay in the care setting of their choice (typically their home).

Despite robust evidence of the benefits of palliative care, growth of these services has been stunted by the lack of sufficient, defined funding streams. Only some members (typically physicians or advance practice nurses) of interdisciplinary palliative care teams can bill for their services; one study found that billing covers less than half of outpatient palliative care service costs.

While some health care organizations are moving toward accountable care models with global payment, where the cost of palliative care services can be offset by the avoidance of unwanted care, this movement has not kept up with the need for more palliative care services. Without a sustainable payment model, the potential of palliative care to address essential care needs cannot be realized. And without palliative care, the complex challenges faced by people with serious illness will not be adequately addressed.

To address these challenges, the California HealthCare Foundation (CHCF) has supported a planning process for ten teams of payer and provider organizations committed to strengthening and spreading palliative care services in California through innovative partnerships. These payer/provider teams represent the diverse entities invested in providing palliative care: the providers include large academic medical centers, regional hospitals (including a children's hospital), hospices, and medical groups, while the payers include national insurers, regional insurers, a Medicaid managed care plan, and a medical group that is "at-risk" financially for a portion of its population.

These teams, each funded by a planning grant from the CHCF, have engaged in a six-month planning process from October 2014 through March 2015. During this period, partners in each team met regularly to understand their respective priorities and develop a plan for providing services. All teams shared ideas and challenges with other grantee teams in two in-person meetings and also received support through (1) webinars led by innovators in payer/provider partnerships and (2) one-on-one technical assistance from initiative faculty. While final proposals have not yet been completed, teams have shared with the group of grantees their preliminary thinking on the following topics:

- **Population:** identifying which patients would receive the services
- **Model of Care:** defining what the services would consist of, who would deliver the care, where the care would be delivered, and how often it would be delivered
- **Funding:** clarifying a payment model for these services
- **Metrics:** defining how the partners would assess the impact of the services.

Not surprisingly, given the diversity of the partner organizations, planned approaches to each of these areas vary significantly, but some trends and themes have emerged:

- **Population:** Teams plan to target services to patients based on a combination of variables such as life expectancy (some less than twelve months, some twelve to twenty-four months); diagnoses; utilization patterns; and functional status. Teams will use both claims data as well as assessments done by providers to determine which services are most appropriate.
- **Model of Care:** All partnerships plan to provide palliative care services through an interdisciplinary team. Most of the programs will be home-based; however, a few teams plan to develop clinics. Several partners anticipate providing tiered services (with varying intensity, duration, and staffing) based on patient needs and acuity of illness. About half of the partners have cited plans to provide phone support to patients around the clock. Teams are planning a variety of approaches for outreach to referring providers and to patients.
- **Funding Approach:** Funding models vary across the partnerships. Since these partnerships are new, many teams plan to evaluate and potentially adjust their funding model after an initial pilot phase during which they will learn more about costs and use of services. Proposed approaches include per member per month (PMPM) payment, shared savings strategies, monthly bundled services rate, and pay-for-performance and other reimbursement incentives.
- **Metrics/Monitoring Impact:** Across partnerships, common planned metrics include process measures (such as completion of Advance Care Plans or Physician Orders for Life-Sustaining Treatment [POLST] documents), utilization outcome measures (related to use of hospital, emergency department, Intensive Care Unit, hospice, and the palliative care service), and outcome measures on patients' experience (such as patient/family satisfaction, pain and symptoms, site of death, and provider satisfaction).

Partnership teams are excited by the potential of working together to ensure their patients have access to these essential services. The provider organizations already have community-based palliative care services in place, but they have been limited in their ability to reach more patients because of funding constraints. The payer organizations recognize that this is a clear opportunity to improve care quality and experience for their patients and to differentiate themselves from other payers.

## Looking Ahead

After partners submit their implementation plans, CHCF will assess how it can support the partners in implementing and evaluating their palliative care services, such as providing technical assistance related to metrics or data analysis. CHCF would consider additional grants for implementation when the planning grants are completed. CHCF is also committed to sharing the lessons learned as these partnerships continue to develop, to help facilitate the spread of innovative payer/provider partnerships in palliative care.



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